27873

No. 0318

Social Protection Discussion Paper Series

The Other Side of Self-Employment: Household Enterprises in India

Maitreyi Bordia Das

September 2003

Social Protection Unit

Human Development Network

The World Bank

The Other Side of Self-Employment: Household Enterprises in India

Maitreyi Bordia Das

September 2003

Abstract

Non-farm household enterprises are important for a number of reasons to do with poverty and employment creation. They could either be the first unit of micro-entrepreneurship or a coping strategy for the poorest. Either way, over 11 percent of India's prime working age population is self-employed in these enterprises. Moreover, they are important also because they are most likely to be informal business ventures and deserve study on all these grounds.

Based on data from the Indian National Sample Survey, 50th Round, this paper analyzes the characteristics of individuals operating non-farm household enterprises. It addresses the question –do high skilled and highly educated workers set up these enterprises or are they operated by individuals with low levels of education, working in low status occupations? To what extent are the occupations in household enterprises segregated by sex? Through descriptive, bivariate and multivariate techniques, it demonstrates that household enterprises comprise a highly heterogeneous set of occupations. In rural areas, they are likely to be absorbing the supply of educated labor from among those who do not have access to land. In urban areas, self-employment in household enterprises could be more in the nature of a survival strategy for individuals with lower levels of education. Moreover, they are segmented along religion, caste and gender. Muslims, upper caste individuals and men are more likely to be self-employed in them.

The Other Side of Self-Employment: Household Enterprises in India

Maitreyi Bordia Das[*]

Importance of Household Enterprises

Household enterprises are important for a number of reasons that have to do with poverty reduction and employment generation. The thrusts in development literature on micro-enterprises and non-farm employment over the last decade regard household enterprises as the first unit of micro-entrepreneurship – the family firm or the non-farm business that could potentially grow into a small or medium enterprise. They are also a special category of micro-enterprise – tiny businesses that work on the basis of family ownership and labor, sometimes in trades passed down over generations (or castes), often relying on family based apprenticeship - either poised for take-off or doomed to failure.

Second, in rural areas these enterprises fulfill the important role of absorbing excess labor supply from the agricultural sector and may have a bearing on migration. Individuals not absorbed in agricultural work and having some wherewithal, first try building a household enterprise – the village grocery store, the bicycle repair shop – before stooping to casual labor, or staying out of the labor force. Thus, they help to develop the rural non-farm sector, rather than migrate to towns and cities. Under other circumstances, they may be fountains of entrepreneurship – composed of individuals who shun the confines of the salaried job in the hope of making it on their own.

Third, in several developing countries, household enterprises employ a sizable proportion of the working population. In India for instance, they constitute over 11 percent of the total workforce. Prolific though the studies on non-farm employment and on micro-enterprises have become, the former are usually based on the characteristics of the sector, rather than the workers. They also tend to view self-employment and wage work in the sector together (Lanjouw and Sharrif, 2000; Fisher et al, 1999). The work on micro-enterprises

[*]The author gratefully acknowledges comments from William F. Steel and Martha Chen.
The views expressed in the paper do not necessarily reflect the opinion of the World Bank Bank or the countries it represents.

focuses mainly on inputs that can enable these enterprises to thrive and grow. The popularity of the Grameen Bank, the Self-Employed Women's Association and other successes of small thrift and credit projects have buttressed the importance of micro-credit as the key factor in promoting small business ventures (Liedholm, 1994; McKean 1994; ILO 1998). The World Bank and IFC regard as micro-enterprises those that employ less than 10 workers, small enterprises as having 10-50 workers, and medium as employing 50-100 workers. In practice, this classification could leave out those enterprises which have less than 3-5 workers, including the large number that do not employ any workers at all mainly because they are least likely to be organized or to be profitable business ventures worthy of inputs. It is for this reason as well, that an analysis of the characteristics of the workers in household enterprises becomes important.

Finally, household enterprises according to the UN System of National Accounts (SNA) are classified as being in the "informal sector" and in that, important for the purposes of research and policy. In the UN classification there are two main components of the "informal sector":

- "family enterprises" (own-account informal enterprises) without permanent employees,
- "micro-enterprises" (informal employers) with permanent employees.

The key question for the purposes of policy interventions is to understand who operates these enterprises and under what conditions. In addressing this question, it is important to separate wage work and self-employment within household enterprises. Whether individuals take to self-employment as a result of a "push" out of the formal economy, or a due to a "pull" towards more lucrative and advantageous employment opportunities is a fiercely debated topic in the labor economics literature. In developed countries, the literature on self-employment is often related to entrepreneurship and risk-taking – positive attributes in a capitalist society. Some evidence shows that this may indeed be the case (Blanchflower, 1998; Clark and Drinkwater, 1999; Maloney 2003). Even the sociological literature in the US and UK views the self-employed mostly as entrepreneurs, and among them, "*ethnic* entrepreneurs" as people who take to self-employment because they are discriminated against in the formal or primary labor market (Wilson and Portes, 1980; Portes and Jensen, 1989;

1992; Portes and Martin). In other cases, they are a survival strategy for the poor trying to eke out a livelihood in the informal sector.

Governments in developing countries tend to have a somewhat contradictory view of these tiny enterprises. While they view self-employment in positive terms and tend to have programs for training and credit delivery to promote these enterprises, they also discriminate against the smallest of these enterprises – the street traders or the rickshaw pullers[1]. The World Bank sees the "transition to self-employment" – a development from wage labor to self-employment, once the right macroeconomic policies are put in place (World Bank, 1995:24).

Empirical evidence on what household enterprises really comprise and who sets them up is generally limited. This is important if we are to advocate policy changes to enable these tiny enterprises to grow and to see them as a mechanism for poverty reduction. In this paper we seek answers to the question – what are the characteristics of household-based enterprises? Do high skilled and highly educated workers set up these enterprises or do the workers who operate these enterprises have low levels of education and work in low level occupations? Moreover, to what extent are the occupations in household enterprises segregated by sex of the workers?

Theoretical Framework

For the purposes of this paper I follow the National Sample Survey Organisation (NSSO) of India and consider household enterprises to be composed of three types of self-employed individuals:

- Employers with or without partners who operate mainly by hiring labor
- Own account workers with or without partners and helpers
- Unpaid helpers in household enterprises

All three categories of workers listed above come under the broad rubric of "self-employed" in the schema of the NSSO. In household based enterprises, which are operated mainly though family labor, the ownership is deemed to be that of the household. Thus, unpaid helpers are also considered to be self-employed because while they do not get monetary remuneration, they partake of the profits through the membership in the household.

Of course, in the context of intra-family distribution of resources and women's unpaid, unrecognized work this presents both theoretical and practical concerns.

If we build a hierarchy of workers within household enterprises, we would place those who employ labor at the top, followed by own-account workers and finally, unpaid helpers. In India the major proportion of the self-employed in household enterprises are own account workers. Very few are self-employed employers. So, when we are consider self-employed individuals who are mainly own account workers, we are speaking about very small scale owner-operators or those who work with unpaid family labor. Among all unpaid helpers, the majority are males. They are probably brothers, sons or nephews in family enterprises. However, when we consider proportions of men and women and their employment status, we find that women have a higher likelihood of being unpaid helpers.

Own account workers could belong to a range of heterogeneous occupations and thus, not all theoretical perspectives see them as positive risk-taking entrepreneurs. Neo-Marxist expositions are a case in point. Since self-employment did not exist as a category in Marx's writings, neo-Marxists sought to conceptualize it as "petty commodity production". Early field studies (MacEwen Scott, 1979 of Lima; Birbeck, 1979 of garbage pickers in Cali, Colombia; Bromley, 1979, of street traders in Cali) showed that even those who characterize themselves as self-employed (in that they are not working for a wage), are in fact in dependent relationships with traders or larger firms. Thus, garbage pickers supply scrap to a host of buyers, while street traders can range from well-established merchants to petty vendors. On the basis of the linkage of wage work and self-employment to the capitalist system, Bromley and Gerry (1979) developed their notion of work as a continuum ranging from short-term wage work, to disguised wage work, to dependent work to true self-employment. MacEwen Scott (1979) concluded from her fieldwork in Peru, that petty commodity production is really a system of out-sourcing whereby large firms use smaller enterprises and workers in contractual arrangements to accumulate capital.

The literature from India views own account workers mostly as disguised wage workers, working in the informal sector, rather than better off entrepreneurs (Papola, 1981; Breman, 1996; Sainath, 1996). For instance, in his study of rural Gujarat, Breman (1996) focuses on dependent relationships between owners of small own account ventures and larger

employers or agents. Similarly, Kashyap and Tiwari's (1995) study in Surat showed that in the diamond industry, smaller firms had dependent relations with traders, suppliers, and buyers. Moreover, incomes of the very small enterprise owners were not very different from the average worker in the industry. "Shram Shakti", the report of the National Commission on Self-Employed Women and Women in the Informal Sector (1988) provided the earliest and most graphic description of self-employed women and women in the informal sector. In essence, the report presents a picture of the non-farm self-employed as small producers and home based workers, who either supply their produce to middlemen through informal contractual arrangements and retailing establishments or have their own small vending businesses. Most of the studies from India rely on anthropological field work or descriptive data tabulated from small surveys. These studies thus, confirm the view of the petty self-employed as small producers in close relationship with the larger economy.

While it is not possible to assert with any certainty that household enterprises belong in the informal sector, the chances are that those enterprises which are not operated by professionals and owner-managers of small companies (such as computer software agencies or travel agencies) are informal enterprises[2]. Since the survey did not specifically ask questions on regulations, we can at best draw inferences about the nature of these enterprises based on the occupations they are involved in.

Gender

How does the work of men and women differ in household enterprises? The literature on the gendered dimension of informal work suggests that women are more likely to be in the low paid (or unpaid) and low skilled informal work, while men are more likely to be own account workers and in more lucrative informal trades. This is often attributed to the lower educational status of women and to discrimination in the labor market. Women owned enterprises tend to be smaller, with small investment, often based in the home, with few market linkages (Sethuraman, 1998). In India, SEWA has brought to the attention of development practitioners a picture of small enterprises such as vegetable vending, and small-scale trading, owned and operated by women. These women owned ventures suffer from smallness of scale, low access to raw material, markets, infrastructure and finances. Also, since social capital is so important to these household-based enterprises, women may be

less likely to succeed due to the fact that their major spheres of activity are in the home and the community, rather than in the market, where larger and more productive social networks are built.

The engagement of women in own account work differs by global regions as well. We could speculate that those cultures which emphasize the invisibility of women in the public realm are also less likely to have women in trading and vending and in other such own account work (see Nadia Youssef's analysis of the Middle East in comparison with Latin America, 1973). Studies on women's own-account work in Latin America are abundant. In Paraguay for example, one study showed that younger men and women are concentrated in urban informal wage work while older women (over 25 years) are concentrated in the own-account category. Older Paraguayan men on the other hand, are spread evenly across the two categories. In Venezuela, the overwhelming majority of women in the urban informal sector work in self-employed ventures (Pollack, 1993).

Research on market work among Peruvian women shows occupational sex segregation even in small-time trading – typically a household enterprise. Babb (1989) has analyzed the role of "marketwomen" in Peru in the context of their roles in the family and society. Thus, trading and vending (second only to domestic service for working women in Peru), are seen as an extension of housework in the case of Huaraz women in the Andes. These women are engaged in such "female" own account work as housecleaning, laundering, sewing and food preparation, referred to as "collective caretaking" jobs by Babb (1989) – reproductive roles that serve to nourish society.

The concentration of women in traditionally female trades was also found by MacEwen Scott (1991) in her study of Lima. The only occupation that MacEwen Scott did not find segregated by sex in the informal sector was street selling; but here she found that men dominated the lucrative, high capital sales, while women dominated the low capital lines such as perishable foodstuffs. In yet another study of Lima, Ypeij (2000) points to women's lower access to markets, networks, unpaid family labor and credit, and the social norms of masculine and feminine behavior that constrain women's capital accumulation through micro-enterprises.

In Africa too, women's own-account work is very important, with high levels of women's labor force participation - mostly in trading and sales occupations. However, cultural expectations of male and female occupations and women's need to balance home and market roles come through in the occupational sex segregation in non-farm work in Africa. Thus, evidence from Ghana (Levin, et al, 1999; Chalfin, 2000) indicates that women have historically been in trade related occupations, and balance their productive and reproductive roles by concentrating on informal trading. On the other hand, cultural expectations of women in Uganda are that they will work on the farm. This means that they are concentrated in agricultural work, in stark contrast to Ghana, where engagement in non-farm work by women is more common (Newman and Canagarajah, 2000). In Nigeria, Yoruba women are expected to provide for their families in the context of polygyny. Thus, younger women, with small children are more likely to stay home, but when their children grow up and their husbands re-marry, they are free (and indeed compelled), to go out and engage in business. Small business has a high social standing for Yoruba women and gives them autonomy and status that the young wife does not have; but in order to be successful, they also have to rely on their husband's socioeconomic worth and status for capital, markets and social networks (Dennis, 1991).

Whether men and women have significantly different likelihood of being self-employed was tested in a study of the segmented markets of Bombay (Khandker, 1992). This study points to the heterogeneity of small self-employed occupations in the slums of Bombay. From a sample of among low-income slum dwellers, Khandker showed that a greater percentage of women than men worked in the unprotected wage sector, and a smaller percentage was self-employed compared to men. The self-employed enterprises that men operated were larger than the units that women operated. The study also found that migrants first entered in the unprotected wage sector before they moved to the protected wage sector or self-employment. If their father or guardian was self-employed, both men and women were more likely to be so.

Hypotheses

The literature, as we have seen, demonstrates that household enterprises are highly heterogeneous and run the entire gamut from being lucrative trades to disguised wage work. I propose to separate this heterogeneity in the case of India. Ideally, I would have used income from household enterprises to undertake such analysis. However, the data from the NSS do not contain income for self-employed persons. In the absence of income data from household enterprises, one way to understand who is self-employed in these occupations, is to examine their educational status, and to address the question - are the occupations they pursue the choice of highly educated individuals? Second, how many of those self employed in household enterprises ply what could be regarded as high status occupations?

This paper tests two hypotheses in the absence of income data.

1. If non-farm household enterprises are a lucrative option, then individuals with higher education would be more likely to be employed in such enterprises. If it is a form of disguised wage work in low status occupations, we would expect to find uneducated individuals or those with low levels of education to be more likely to be engaged in this activity.
2. If household enterprises are segmented along lines of gender, we would find that women with lower educational status and men with higher educational status more likely to be in them. If there is no segmentation, there would be no difference by educational level in men's and women's probability of being employed in these enterprises.

Data and Methods

I use data from the Indian National Sample Survey 50th round (1993-94). Schedule 10 of the survey on Employment and Unemployment has detailed data on employment. The National Sample Survey Organization (NSSO) of India conducts quinquennial surveys on consumption expenditure and employment. These surveys are considered to be one of the most reliable data sources for India. The 50th Round surveyed 115,354 households located in 6,951 villages and 4,650 urban blocks. In all, it has data on 356,289 persons in rural and 208,248 persons in urban areas, providing a large national sample size. The NSS data are highly regarded and widely used for planning purposes in India

The survey regards as self-employed those individuals who "operate their own farm or non-farm enterprises or are engaged independently in a profession or trade on own-account or with one or a few partners". As I have pointed out earlier, these individuals are considered to be self-employed in family enterprises. The survey further categorizes them into three groups

- Own account workers with or without partners and helpers
- Own account employers with or without partners and operate mainly by hiring labor
- Unpaid helpers.

I restrict the analytic sample to the age group of 20-55 – prime working years. In so doing, we are left with a sample size of 264808, of which 130361 were women and 134447 were men. All analysis is weighted to make it nationally representative using Intercooled STATA 7.0. I conduct three types of analyses. The first is a bivariate analysis with the key independent variables. The second is an occupational profile of the individuals who are self-employed in household enterprises. Finally, I predict the probability of being in non-farm self-employment in a household enterprise through a logistic regression model. All analyses are conducted separately for rural and urban samples and for men and women. I expect that urban and rural areas will show differences in the types of individuals who take to household enterprises. Thus, I have four models for rural and urban men and women.

Definitions of variables used in this analysis are provided in Table 1. The dependent variable is a dummy – whether self-employed in a household enterprise or not. The independent variable of interest is education, coded as three dummies denoting primary, secondary and college education in the case of men and primary and post-primary in the case of women. This is because the number of observations for rural women with college education was too small. I control for a number of individual and household characteristics like age, a squared term for age, marital status, caste (coded as two dummies for Scheduled Caste [SC] and Scheduled Tribe [ST][3], with upper caste as the reference category) household size, number of children, religion (coded as two dummies for Muslim and other religions with Hindu as the reference category), whether the household owns land, and geographical region.

Table 1: Coding of Variables and Weighted Means

(Analytic sample of men and women ages 20-55)

Variable	Survey Codes	Coding	Weighted Mean
Dependent Variable			
Self-employed in Household Enterprise	In household enterprise: Own account workers not hiring labor Own account employers Unpaid family helpers	**Dummy** Self-employed in household enterprise=1 if self-employed and excluding codes 60-65 of the National Classification of Occupations at the 2 digit level Not=0	0.11
Independent Variables			
Age	In years	i. Continuous - in years	34.42
		ii. Age Squared - continuous variable	
Marital Status	Never Married Currently Married Widowed Divorced/Separated	**Dummy** Married =1 if currently married Any other =0	0.83
Religion	Hinduism Islam Christianity Sikhism Jainism Buddhism Zoroastrianism Other	**2 Dummies (Reference: Hindu)** Muslim=1 Not Muslim=0	0.10
		Other religion=1 Not other religion=0	0.06
Caste	SC – Scheduled Caste ST – Scheduled Tribe General - Non-SC/ST	**2 Dummies (Reference: Non-SC or ST)** SC=1 Not SC=0	0.18
		ST=1 Not ST=0	0.09
Education	No education Literate through attending non-formal classes Literate below primary Primary Middle Secondary Higher Secondary Graduate in various disciplines	**2 Dummies for women and 3 for men (Reference: Uneducated)** Literate through primary =1 Not=0 (both men and women)	0.22
		Post-primary=1 Not=0 (for women)	0.19
		Secondary=1 Not=0 (men)	0.32
		College=1 Not=0 (men	0.07

Table 1: Coding of Variables and Weighted Means (cont'd)
(Analytic sample of men and women ages 20-55)

Variable	Survey Codes	Coding	Weighted Mean
Region	States	**5 Dummies (Central reference – includes UP, MP)** **North** =1 if Himachal Pradesh, Punjab, Haryana, Rajasthan, Chandigarh, Delhi	0.11
		East =1 if West Bengal, Orissa, Andaman and Nicobar Islands	0.13
		West =1 if Gujarat, Maharashtra, Goa, Dadra and Nagar Haveli, Daman and Diu	0.15
		North-East =1 if Manipur, Tripura, Arunachal Pradesh, Sikkim, Assam, Meghalaya, Mizoram, Nagaland	0.04
		South =1 if Tamil Nadu, Karnataka, Kerala, Andhra Pradesh, Lakshadweep, Pondicherry	0.25
Children in the household	Males under 5 years Females under 5 years	**Continuous** – male + female children under five years	0.71
Household Size	Number of members	**Continuous**	5.66
Land-ownership	Owning homestead only Homestead and other land Other land only	**Dummy** Landowning if owning more than homestead only=1 Not=0	0.66

Results

Bivariate

Figure 1 shows that like most labor market trends in India in the decade preceding the survey (1983-93), there has been little change in the proportion of workers who are self-employed in non-farm household enterprise. Data from the 50th Round of the NSS show that self-employed persons in the non-farm sector constitute a little over 11 percent of the total sample. Of these only 17 percent are women. Of the individuals engaged self-employed in household enterprises, a little over 46 percent live in urban and 54 percent live in rural areas. Thus, although the number of self-employed persons is greater in rural areas, it is proportionately higher in urban areas, since only 25 percent of the sample resides in urban areas, but more than half the self-employed workers in non-farm enterprises live in urban areas. Thus, there is a greater likelihood of being in non-farm self employment for individuals

who reside in urban areas – a conclusion perfectly in keeping with conventional wisdom and the literature on informal employment and petty trades, which focuses mainly on urban areas.

Figure 1: Self-Employment in Non-Farm Household Enterprises 1983 to 1993-94

Source: Calculated from the NSS 38th, 43rd and 50th Rounds

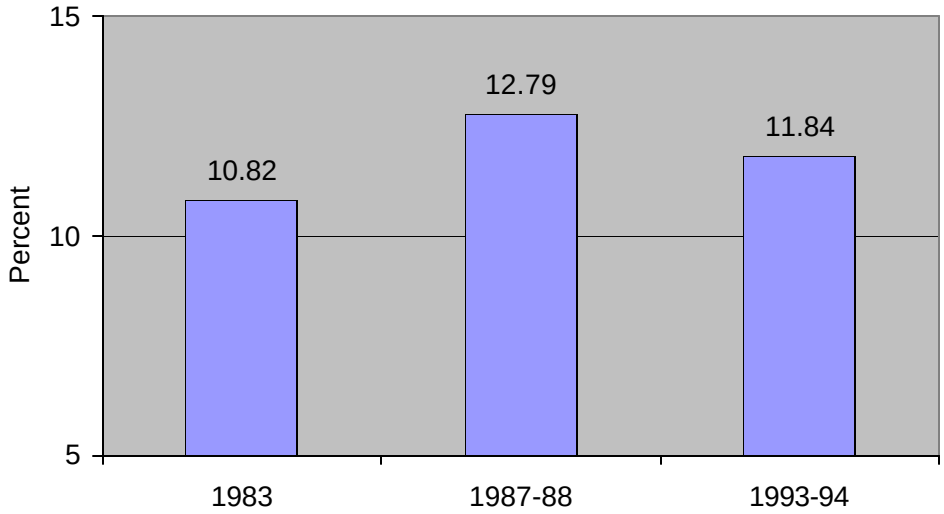
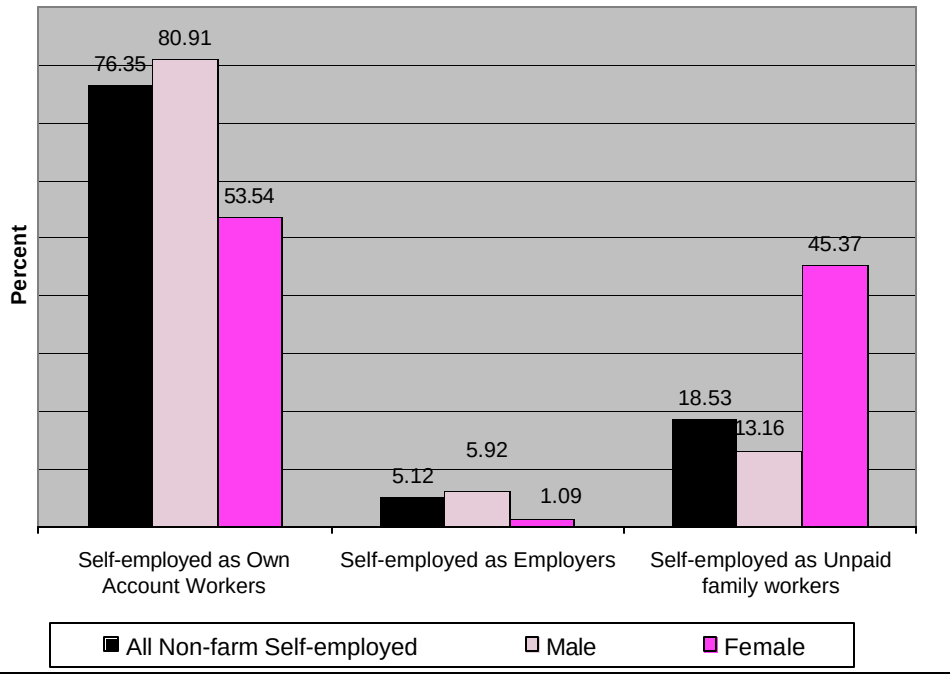


Figure 2: Chararacteristics of Self-Employed Workers in Household Enterprises

Source: Calculated from NSS 50th Round, 1993-94



Over three-quarters of the self-employed in the household enterprises are own-account workers. Fewer than 5 percent are employers, and over 18 percent are unpaid workers. Thus, these are small family owned businesses run by own account workers, with help from family members, with very few hiring labor. There is a marked segmentation of the sub-categories of the self-employed along lines of gender. Thus, while men are predominantly own account workers and have a low likelihood of being unpaid helpers, 54 percent of the women are own-account workers and 45 percent of them are unpaid helpers (Figure 1).

Disaggregating the picture by residence, table 2 shows that almost 79 percent of those working in household enterprises from rural areas are own account workers, while a slightly lower proportion of the urban dwellers (75 percent), comprise such workers. Proportionately greater numbers of the urban dwellers are employers in household enterprises. In the rural areas, a larger proportion of the individuals are unpaid family helpers compared to urban areas. Figures 3 and 4 show that the majority of the persons who operate household enterprises are Hindus and upper caste. However, while Muslims comprise a little over 10 percent of the total sample, they make up 17 percent of the non-farm self-employed in household enterprises. In contrast, SCs and STs are underrepresented in household enterprises.

Figure 3: Distribution of the Non-Farm Self-employed by Religion

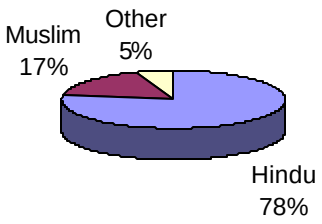


Figure 4: Distribution of the Non-Farm Self-Employed by Socioeconomic Status

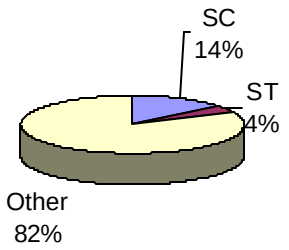
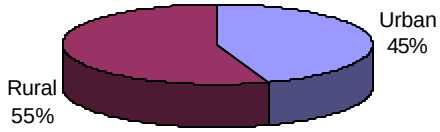


Figure 5: Distribution of the Non-Farm Self-Employed by Residence



The heterogeneity of the self-employed workers in household enterprises is evident in their educational status. At the bivariate level it appears that 30 percent are uneducated, a little over 29 percent have primary education and almost 41 percent have post-primary education. Thus, it is not as if these individuals are largely uneducated. On the contrary, almost 71 percent of them have some education. Admittedly, primary education in India has little value for high status jobs, but here we find that over two-fifths of the self-employed in household enterprises have post-primary education.

Occupational Profile and Sex Segregation –Descriptive Results

A descriptive profile of the occupations that self-employed individuals in household enterprises pursue provides leads to policy on where reforms may be needed and which enterprises may have potential for growth. I classify as high status those occupations which are labeled professional and managerial and those that include owner-managers according to the National Classification of Occupations, 1968. Thus, professional, technical and related

workers such as doctors, lawyers, accountants, artists, and engineers, and working proprietors of small family firms would be included in high status occupations. Such high status occupations constitute only 5.2 percent of all jobs. A little over 11 percent of the self-employed in household enterprises belong to high status occupations.

Table 2: Self-Employed in Household Enterprises by Residence

Types of Self-employment	**N** **Rural**	**Percent of <u>Rural</u> Non-farm Self-employed**	**N** **Urban**	**Percent of <u>Urban</u> Non-farm Self-employed**
Self-employed as Own Account Workers	13976	78.91	11398	75.34
Self-employed as Employers	439	2.48	1037	6.86
Self-employed as unpaid family workers	3296	18.61	2693	17.80
Total	17711	100	15129	100

Source: Author's Calculations using the Indian National Sample Survey, 50th Round, 1993-94

Table 3: Self-Employed in Household Enterprises by Educational Status

	N	**Uneducated**	**N**	**Primary**	**N**	**Post-Primary**
Self-employed in Household Enterprises	9878	30.08	9544	29.06	13417	40.86

Source: Author's Calculations using the Indian National Sample Survey, 50th Round, 1993-94

Table 4: Major Occupations of The Self-Employed in Household Enterprises by Residence

(Compiled from the 2-digit occupation code, on the basis of occupations with >2% of the sample)

Occupations	**Percent of <u>all</u> non-farm self-employed**	**Percent of <u>rural</u> non-farm self-employed**	**Percent of <u>urban</u> non-farm self-employed**
Merchants, shopkeepers wholesale, retail trade	28.8	28.09	29.66
Working proprietors, directors (NCO codes 22 + 24 +26)	9.17	7.10	11.71
Salesmen shop assistants and related workers	6.00	5.36	6.77
Tailors dressmakers etc.	5.56	5.43	5.73
Transport equipment operators	5.12	4.22	6.23
Spinners, Weavers and related workers	4.46	5.24	3.51
Carpenters and wood workers	2.77	3.29	2.14
Food and beverage processors	2.43	2.92	1.82
Laundry related persons	2.39	2.74	1.96
Bricklayers and other construction workers	2.29	2.54	1.98
Tobacco product makers	2.12	2.53	1.62
Production and related workers	2.07	2.99	0.94
Hairdressers, barbers, beauticians etc.	2.01	2.59	1.30
Non-electrical machinery workers	1.87	1.53	2.28
Fishermen and related workers	1.86	2.80	0.71
Insurance, real estate, securities and business agents	1.42	0.80	2.16
Other Occupations	19.66	19.83	19.48

Source: Author's Calculations using the Indian National Sample Survey, 50th Round, 1993-94

In developing countries, household enterprises are mostly in sales related occupations. At the one digit level of occupational classification, sales related occupations in the present sample comprise a little over 37 percent of all non-farm household enterprises. Such occupations among household enterprises are proportionately greater in urban areas, with 35 percent of the rural but almost 40 percent of the urban household enterprises being in sales. Such sales related occupations include a number of specialized functions.

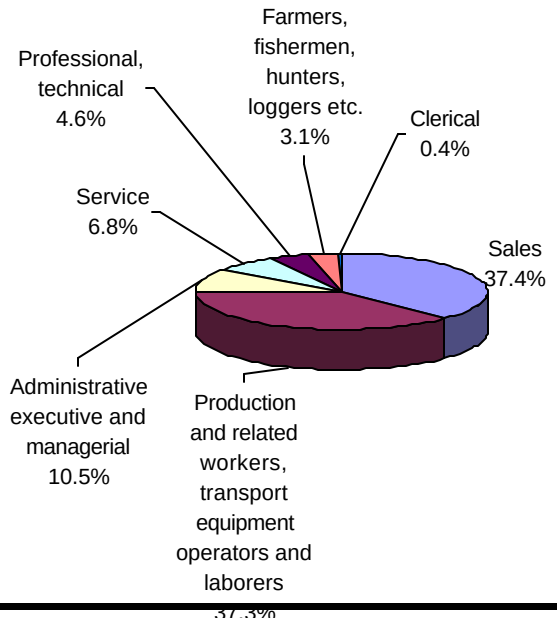
Merchants and shopkeepers engaged in wholesale and retail trade alone constitute the overwhelming share of all persons self-employed in household enterprises. This category includes wholesale merchants and also petty hawkers, vendors, and mobile peddlers of household goods. These individuals comprise almost 29 percent of all self-employed persons in household enterprises. There is little difference in the distribution of traders and merchants across urban and rural areas, although a slightly greater proportion are in trading etc. in urban areas. Differences by residence also show up in sub-categories of sales occupations. For instance, working proprietors and self-employed directors of businesses constitute a little over 7 percent of the rural operators of household enterprises, but over 12 percent of the urban operators. Similarly, salespersons, shop assistants etc. comprise over 5 in the rural areas but almost 7 percent in the urban areas. This is to be expected with greater opportunities in cities and towns for larger business establishments. There is a remarkable difference by gender among these occupations as well. While over 39 percent of the men were in wholesale and retail trade, only about 28 percent of the women were involved in them.

The situation of vendors and hawkers in cities has been popularized in various reports and case studies. Kishwar (2001 a&b) and Sainath (1996) write about the plight of vendors and hawkers, grappling with municipal administrations, paying bribes and struggling to make a living. Various organizations of hawkers and vendors have come up in large cities, which are in constant dialogue with municipal authorities. Female vendors and hawkers have been made visible as a disadvantaged employment category by the efforts of SEWA to unionize them. On the other hand, wholesale and retail merchants, and even street traders in scrap often form cartels to protect their interests (Chikarmane and Narayan, 2000).

Apart from sales related occupations, operators of household enterprises rely on some kind of manual skilled work, which includes both traditional and modern occupations. Many

of these skills continue to have a caste base, although there has been considerable dilution of the caste-occupation nexus over the last several decades. Households enterprises are often built on the basis of family traditions in such occupations. These occupations are also highly segmented along lines of gender. Tailors, dressmakers and embroidery workers constitute over 5 percent of the self-employed persons in household enterprises and as expected a larger proportion of women do these jobs. However, there appears to be little difference in the distribution by residence. "Shram Shakti" describes in detail the work that women working in *chikan* embroidery in Lucknow (Uttar Pradesh) do, and the benefits that have accrued to them with organization and unionizing. Mies (1982) similarly describes the work of lace makers of Narsapur in Andhra Pradesh.

Figure 6: Occupational Distribution of the Non-Farm Self-Employed



A little over 4 percent of those self-employed in household enterprises are in spinning, weaving and handloom enterprises. These occupations have historically been important and the products have distinctive geographical characteristics. The skills required for these occupations are often based on family apprenticeship. In spite of the government's active support to these enterprises under the rubric of "small-scale", "tiny" and "village industries",

and their organization into cooperatives, there have been recent journalistic accounts of these traditional artisans committing suicide as they lose business to powered looms and large-scale factory produced cloth. While 3.5 percent of the urban workers were in these occupations, over 5 percent of the rural workers were engaged in them. This is expected, since handicrafts, handloom and weaving are traditionally rural (and often caste-based) occupations. These occupations are also segregated along lines of gender, with greater proportion of women engaging in them. The National Commission on Self-Employed Women and Women in the Informal Sector (1988) interviewed several women who were spinners, silk cultivators, and handicraft workers. The difficulties that these workers faced is documented in its report and includes low access to raw materials, credit, markets, and the presence of middlemen.

Table 5: Major Occupations of the Self-Employed in Household Enterprises by Sex
(Compiled from the 2-digit occupation code, based on occupations in which >2% of the either male or females work)

Occupations	**Percent of Self-employed Men**	**Percent of Self-employed Women**
Merchants, shopkeepers wholesale and retail trade	29.82	19.77
Working proprietors in mining, construction, manufacturing	5.03	6.66
Salesmen shop assistants and related workers	6.19	6.83
Tailors dressmakers etc.	5.08	9.68
Transport equipment operators	6.44	0.2
Spinners, Weavers and related workers	3.35	11.25
Carpenters and wood workers	3.48	0.26
Food and beverage processors	2.12	3.57
Laundry related persons	1.7	6.53
Bricklayers and other construction workers	2.84	0.24
Tobacco product makers	0.81	8.97
Production and related workers	1.43	6.14
Hairdressers, barbers, beauticians etc.	2.17	0.39
Non-electrical machinery workers	2.31	0.2
Fishermen and related workers	2.17	0.73
Insurance, real estate, securities and business agents	1.6	0.46
Hotel and Restaurant keepers	1.58	2.11
Glass workers, potters etc.	1.03	2.36

Source: Author's Calculations using the Indian National Sample Survey, 50th Round, 1993-94

Transport operators, both manual and mechanized constitute another significant proportion of the operators of household enterprises. Kishwar (2001b) presents a telling account of rickshaw pullers in the city of Delhi, when she describes the obstacles they encounter in order to be able to ply their trade. These and other transport operators comprise 5 percent of all self-employed persons in non-farm work. Rickshaw pullers[4] alone are over 2

percent of non-farm self-employed persons, and this work is particularly important for migrants into cities, since it provides them with instant cash. Transport workers are in proportionately greater numbers in urban areas, where the demand for such services is higher. Very few women are in transport related occupations.

Table 6: Occupational Distribution of the Self-Employed in Household Enterprises by Residence

(Compiled from one digit occupation code)

Broad occupational Category *(Codes in parentheses)*	**N**	**Percent of all non-farm self-employed**	**N Rural**	**Percent of rural non-farm self-employed**	**N Urban**	**Percent of urban non-farm self-employed**
Sales workers (4)	11974	36.96	5965	34.31	6009	40.04
Production and related workers, transport equipment operators and laborers (7, 8, 9)	12584	38.85	7365	42.36	5219	34.77
Administrative, executive and managerial workers (2)	3218	9.93	1250	7.19	1968	13.11
Service workers (5)	2316	7.15	1418	8.16	898	5.98
Professional, technical and related workers (0-1)	1385	4.28	649	3.73	736	4.90
Farmers, fishermen, hunters, loggers and related workers (6)	796	2.46	685	3.94	111	0.74
Clerical and related workers (3)	110	0.34	44	0.25	66	0.44
Workers not classified by occupation	12	0.03	9	0.05	2	0.01
Total	32394	100	17385	100	15009	100

Source: Author's Calculations using the Indian National Sample Survey, 50th Round, 1993-94

Carpenters and wood workers, food and beverage processors, those engaged in laundry work, bricklayers and construction workers, tobacco product makers, and hairdressers and barbers *each* constitute a little over 2 percent of persons in non-farm self-employed occupations. As with other occupations, each of these is also segregated along lines of gender. Food and beverage processors may be expected to be proportionately more numerous in urban areas, but in fact this is not so. Almost 3 percent of the rural sample and almost 2 percent of the urban sample engaged in food and beverage processing. This is perhaps due to the fact that the self-employed persons engaged in these occupations process agricultural products for sale. "Shram Shakti" documents the work of spice grinders and pickle and chutney makers, among other types of food processors, showing them to be very small scale home-based occupations, dominated by women. Several government programs encourage such small businesses for women partly because they require little training they build on

existing skills and require very small capital investment. However, apart from success stories such as Lijjat or marketing through government retail outlets, these enterprises are mostly small local units with low skill levels and little access to markets.

A category called "production and related workers" in the National Classification of Occupations 1968, constitutes a variety of motley occupations like musical instrument makers, those who work mainly with bamboo, reed and straw etc., making mats, brooms, baskets, fans and also salt. These seem like small producers of functional items. They comprise another 2 percent of all those self-employed in household enterprises. These occupations are expectedly more important in rural areas, with almost 3 percent of the workers engaging in them, as compared to the urban areas, where less than one percent of the workers are engaged in them. These occupations are also dominated by women, who often work from home, producing these items mainly for local sale.

About 2 percent of the self-employed individuals working in household enterprises are laundry workers. Intuitively we may have expected to see a greater proportion of them in urban areas, but about 3 percent of the rural and 2 percent of the urban operators of household enterprises were engaged in these occupations. Laundry related occupations which include (usually manual) washing and ironing are also more common among women than men.

Household enterprises that produce tobacco related items, particularly the local cigarettes or *bidis* deserve special mention. *Bidi makers* (who are listed separately in the 3-digit occupation category) alone comprise over 2 percent of this sample and this is almost exclusively a female occupation. *Bidi making* is more common in rural areas, from where collections are made by bidi factories. A number of ethnographic accounts show that *bidi* workers gather "*tendu*" leaves from the forests, and either sell them to middlemen and work as casual labor in the rolling of bidis, or are self-employed as bidi makers. Other studies have documented the shift of the locus of bidi production from the factory to the home through informal contracts (Gopal, 1999). In the popular literature, *bidi* workers, palm-jaggery makers (Sainath, 1996), ragpickers (Chikarmane and Narayan, 2000), shoe makers (Knorringa, 1999), who sell their products to large retailers, wholesalers or middlemen are viewed as casual workers rather than self-employed, since they often have little access to and control over raw materials or markets, and hence over prices.

Finally, service workers deserve independent mention. Barbers, maids and waiters constitute almost 7 percent of the self-employed individuals in household based enterprises.

Table 7: Occupational Distribution of the Self-Employed in Household Enterprises by Sex
(Compiled From One Digit Occupation Code)

Broad occupational Category *(Codes in parentheses)*	**Men N**	**Men %**	**Women N**	**Women %**
Sales workers (4)	10671	38.87	1364	27.6
Production and related workers, transport equipment operators and laborers (7, 8, 9)	10229	37.26	2305	46.64
Administrative, executive and managerial workers (2)	2739	9.98	480	9.71
Service workers (5)	1785	6.5	511	10.33
Professional, technical and related workers (0-1)	1213	4.42	177	3.58
Farmers, fishermen, hunters, loggers and related workers (6)	703	2.56	96	1.95
Clerical and related workers (3)	104	0.38	7	0.15
Workers not classified by occupation	10	0.03	367	7.44
Total	27452	100	4942	100

Source: Author's Calculations using the Indian National Sample Survey, 50th Round, 1993-94

Thus, a descriptive analysis of household enterprises shows that they are partly in sales related occupations, and partly in manual production work, with high status occupations constituting only a small proportion of these enterprises. These occupations are moreover highly segmented along lines of gender with women being concentrated in the traditionally female work.

The Multivariate Analysis

Models 1 and 2 relate to men in rural and urban areas respectively.

Results of the logistic regression predicting the probability of being self-employed in a household enterprise show that for rural men, higher levels of education increase the probability of such employment (coefficients of 0.61, 0.68 and 0.41 for primary, secondary and college level education respectively, each significant at the .001 level). For urban men on the other hand, primary education slightly but significantly (coefficient of 0.15 significant at the .001 level) increases the probability of being in non-farm household enterprises. However, higher levels of education reduce this probability considerably (coefficients of –0.07 and –0.44 for secondary and college level education respectively, each significant at the .001 level). Religion and socioeconomic status have strong associations with household enterprises. For both rural and urban men, belonging to SC or ST reduces the likelihood of operating household enterprises, while being Muslim considerably increases this likelihood. Moreover,

men whose families own land are highly unlikely to operate household enterprises and this association is expectedly stronger in rural areas.

Table 8: Results of Logistic Regression Predicting Self-Employment in Household Enterprises

MALES			FEMALES		
Variable	**Model 1 Rural Male N=80796**	**Model 2 Urban Male N=53651**	**Variable**	**Model 3 Rural Female N=81098**	**Model 4 Urban Female N=49263**
AGE	0.06***	0.06***	AGE	0.10***	0.17***
AGE SQUARED	0.00***	0.00***	AGE SQUARED	0.00***	0.00***
PRIMED	0.61***	0.15***	PRIMED	0.23***	-0.14***
SECED	0.68***	-0.07**			
COLLEGE	0.41***	-0.44***	POSTPRI	-0.21***	-0.76***
SC	-0.42***	-0.57***	SC	-0.33***	-0.07
ST	-0.89***	-0.59***	ST	-0.03	0.04
MUSLIM	0.57***	0.49***	MUSLIM	0.24***	0.17***
OTHREL	-0.19***	0.11**	OTHREL	-0.06	-0.19*
LANDED	-1.03***	-0.47***	LANDED	-0.80***	-0.22***
MARRIED	0.12***	0.35***	MARRIED	-0.49***	-0.74***
HH SIZE	0.01+	0.07***	HH SIZE	-0.03***	-0.02***
HH KIDS	0.09***	0.04***	HH KIDS	-0.02	-0.03
EAST	0.40***	-0.19***	EAST	0.62***	0.07
WEST	-0.30***	-0.26***	WEST	0.33***	0.29***
SOUTH	0.04	-0.27***	SOUTH	1.25***	0.70***
NORTHEAST	-0.13	0.01	NORTHEAST	-0.11	0.22
CONSTANT	-2.85***	-1.91***	CONSTANT	-4.56***	-5.06***

*** p <= 0.001
** p <= 0.01
* p <= 0.05
+ p <=0.1

Reference Categories: Uneducated, non-SC/ST, Hindu, unmarried, not landowning, central region,

For women, the factors that predict self-employment in household enterprises are very different than those for men, as shown in Models 3 and 4. In general, in India, rural women are more likely to be employed than urban women, and this is due to the fact that women's labor is primarily used in agriculture. In this analysis we find that only primary education increases the likelihood of such employment (coefficient of 0.23 significant at the .001 level) and that too only for rural women. Post-primary education depresses the participation of women in non-farm household enterprises and this effect is greater in urban (coefficient of -0.76 significant at the .001 level) than in rural areas (coefficient of -0.21 significant at the .001 level). In urban areas, even primary education makes women less likely to be self-employed in household enterprises.

As with men, SC status and landownership each decreases the probability of women being self-employed in household enterprises, while being Muslim increases this probability. However, while demographic factors like being married and number of children in the household under the age of five, all increase men's participation in household enterprises, they seem to depress women's participation in such employment. One last aspect of women's self-employment in household enterprises has to do with region. While region was included in the model as a control variable, (and most regions seem to make men less likely to operate household enterprises compared to central region comprising UP, MP and Bihar), for women, belonging to the central region appears to have a strong negative effect where their likelihood of being self-employed in household enterprises is concerned. Positive effects for the south are large and significant, but residing in western states also makes women more likely to be in household enterprises. This is in keeping with the conventional wisdom that macro-level gender inequalities in central and northern states of India tend to be most pronounced while those in western and southern are less so.

Discussion

What does the analysis presented above tell us about the heterogeneity of the workers in household enterprises? In particular, what does it tell us about educated workers?

1. What seems clear is that household enterprises are a motley group of activities and can range from high status occupations to low status survival strategies. However, only 11 percent of the self-employed in household enterprises are in high status occupations, even though over 40 percent of the workers have post-primary education. Thus, higher education does not necessarily correlate with high status occupations. This is in keeping with the conventional wisdom that educated workers are underemployed in India.
2. Moreover, non-farm household enterprises mean different things in urban and rural areas. In rural areas, they are likely to be absorbing the supply of educated labor from among those who do not have access to land . In the case of urban men, self-employment in non-farm household enterprises could be more in the nature of a survival strategy for individuals with lower levels of education. However, this analysis tells us nothing about the productivity of these enterprises in urban and

rural areas. It is likely that greater opportunities and availability of lower level occupations makes it easier to set up such enterprises in urban areas and it may well be that they are more productive in as well.

3. However, an understanding of who operates household enterprises in terms of caste and religious status sheds additional light on them. In our theoretical framework we do not include caste status or religion, and these were essentially control variables, but they deserve independent explanation in light of other findings. Membership of SC or ST groups is negatively associated with self-employment in household enterprises. That education on its own is positively, and SC and ST status is negatively associated with self-employment in non-farm household enterprises suggest that (in rural areas at least) this may actually be a preferred activity for those educated men who do not have access to farm based self-employment and regular salaried work. Alternatively, lower opportunities in rural areas present barriers to the uneducated or the lower caste individuals, pointing to caste-based segmentation within these enterprises. Moreover, being Muslim significantly increases the likelihood of self-employment in household enterprises, and thus, there seems to be a segmentation of such employment along lines of religion in addition to caste[5].
4. In addition to segmentation along lines of caste and religion, there is marked segmentation in household enterprises along lines of gender. Educated women are less likely to be in such employment even in rural areas (where educated men are more likely to be operators of household enterprises). When employed in non-farm household enterprises, women ply traditionally female trades.
5. Moreover, demographic and household characteristics mean different things for men and women. Large households and children under the age of five, are positively associated with such employment, for men. This could point to one of two possibilities. First, large households could mean availability of family labor for such enterprises – or that existence of family based enterprises binds large families. Second, it could also point to increased responsibilities that necessitate small household-based ventures and diversification of the household economy. In

rural areas on the other hand, large household size is only very weakly associated with self-employment in non-farm household enterprises. We can therefore, speculate yet again, that in urban areas, men take to such employment as a necessity.

For women on the other hand, these very factors reduce the likelihood of self-employment in household enterprises. Thus both marriage and household size reduce women's likelihood of being self-employed in household enterprises. Having children under the age of five appears to have no significant effect on women. The implications of this are that married women's place is clearly in the home and marriage confers on them increased domestic responsibilities, while it confers on men increased economic responsibilities. Thus, for women, household size is indicative of the fact that other members in the household concentrate on economic responsibilities, while women remain in domestic and caregiving roles. It does not reflect the increased economic pressures on women, which would have pushed them into the labor market.

6. Clearly, self-employment in household enterprises is more likely among those who do not own land, especially in rural areas and this is the case for both men and women. This in no surprise, since farming is the default occupation for those who own viable tracts of land.
7. While region was not a key independent variable in this analysis, it throws up some interesting patterns. First, region seems to point to economic opportunity and this in itself is neither new nor surprising. The gender implications of this are more important. For men, the effects of region are much smaller than for women. For the former, central region (UP, MP and Bihar, which are the comparison category) seems to increase the likelihood of household enterprises, at least in urban areas. We know that both economic growth and private sector jobs are lower in the central region. If this is combined with fragmented land holdings, we would see increased non-farm household enterprises and perhaps this is indeed the effect we are seeing. However, for women, it seems that macro level gender

inequality is captured through region. Thus, women in almost every region but the central are much more likely to be self-employed in household enterprises.

8. Higher education tends to depress women's labor force activity in India in general (Das and Desai, 2002). The reason often cited for this is that families with high status are more likely to educate women but also to place a "status value" on the fact that women do not "need to work" outside the home. In addition, norms of seclusion in northern and central states are invoked to keep women out of the workforce. If household enterprises were lucrative options, this is one area where we would have expected that women with higher education would be engaged if indeed cultural factors were preventing them from other employment. This is because family based employment would be one arena where women could "safely" work without compromising their families' social status and also remain within the confines of the seclusion ethic. In fact, this is not the case, pointing to the fact that 1) either self-employment in household enterprises is not as lucrative or that 2) cultural norms exercise less and economic opportunity more influence on women's labor force participation.

Policy Implications

Perhaps the most important conclusion that we can draw for policy is from the differences in patterns of household enterprises in urban and rural areas. In rural areas higher education is associated with such enterprises, while in urban areas, this is not the case. It may then point to the higher status of such occupations in rural areas as compared to urban areas; but more so, to the lack of opportunities in rural areas for formal jobs, which makes educated men take to self-employment in household enterprises. Thus, policy in rural areas would need to address the issue of interventions that would enable more such enterprises to be established and for them to grow. Such interventions could be in the form of access to credit, infrastructure and markets.

In urban areas, while this type of employment is more prolific, it also appears to be the choice for less educated individuals. Here then, policy would need to address issues of condition of work and quality of employment for workers. In particular, the restrictions that are imposed by zoning laws and licensing would require the attention of policy makers.

Third, this analysis shows a marked segmentation of these enterprises by caste and gender. There appear to be caste-based barriers to entry into self-employment in household enterprises. Women remain in traditionally "female" trades. There are thus, issues of equity that policy could address to enable able women and individuals from among SC and ST communities to set up more lucrative enterprises. In the context of pro-poor growth and growth with employment, the barriers to entry in preferred occupations would need the attention of policy makers as well.

References

Blanchflower, David. G. 1998. *Self-employment in OECD Countries*. http://www.nber.org

Babb, Florence E. 1989. *Between the Field and the Cooking Pot: The Political Economy of Marketwomen in Peru*. Austin: University of Texas Press.

Bannerjee, Nirmala. 1985. *Women Workers in the Unorganized Sector*, Hyderabad: Sangam Books.

Birkbeck, Chris. 1979. "Garbage, Industry, and the 'Vultures' of Cali, Colombia," in Ray Bromley and Chris Gerry, (eds.) *Casual Work and Poverty in Third World Cities.* New York: John Wiley and Sons, pp. 161-183.

Breman, Jan, 1996. *Footloose Labour: Working in India's Informal Economy*, Cambridge, U.K: Cambridge University Press.

Bromley, Ray and Chris Gerry. 1979. "Who are the Casual Poor?" in Ray Bromley and Chris Gerry, eds., *Casual Work and Poverty in Third World Cities*, New York: Wiley, pp. 3-26.

Bromley, Ray. 1978. "Introduction - The Urban Informal Sector: Why is it Worth Discussing?" in *World Development* Vol. 6, Nos. 9/10, pp. 1033-39.

Cartaya, Vanessa. 1994. "Informality and poverty: Casual Relationship or Coincidence?" in Cathy Rakowski, (ed.) *Contrapunto: The Informal Sector Debate in Latin America*, Albany: State University Press of New York, pp. 223-49.

Castells, Manuel and Alejandro Portes. 1989. "World Underneath: The Origins, Dynamics, and Effects of the Informal Economy," in Alejandro Portes, Manuel Castells and Lauren A. Benton (eds.), *The Informal Economy: Studies in Advanced and Less Developed Countries*, Baltimore: John Hopkins University Press, pp. 11-37.

Chalfin, Brenda. 2000. "Risky Business: Economic Uncertainty, Market Reforms and Female Livelihoods in Northeast Ghana", *Development and Change* Vol32:987-1008

Chikarmane, Poornima and Lakshmi Narayan. 2000. "Formalising Livelihood: Case of Wastepickers in Pune". *Economic and Political Weekly* October 7-13.

Clark, Kenneth and Stephen Drinkwater. 1999. "Pushed Out of Pulled In? Self Employment among Ethnic Minorities in England and Wales". Annual Conference of the Royal Economic Society: Nottingham, England.

Dennis, Carolyne. 1991. "The Limits to Women's Independent Careers: Gender in the Formal and Informal Sectors in Nigeria", in Diane Elson (ed) *Male Bias in the Development Process.* Manchester and New York: Manchester University Press. pp 83-104.

Fisher, Thomas, Vijay Mahajan and Ashok Singha. 1997. *The Forgotten Sector: Non-farm Employment and Enterprises in Rural India*. London: Intermediate Technology Publications.

Gopal, Meena. 1999. "Disempowered Despite Wage Work: Women Workers in Beedi Industry". *Economic and Political Weekly* April17-24.

Government of India. 1988. *Shram Shakti: Report of the National Commission on Self-Employed Women and Women in the Informal Sector*. New Delhi

Harriss, John. 1995. "Urban Poverty and the Labour Market: A Study on the City of Coimbatore" in P.M Matthew (ed) *Informal Sector in India*, New Delhi: Khama Publishers, pp190-218.

International Labour Organization. 1998. *World Employment Report 1998-99*. Geneva: ILO.

Kashyap, S.P. and R.S. Tiwari. 1995. "Small-Scale Industry or Large-Scale Trade? Diamond Shaping Industry in Surat, in P.M Matthew (ed) *Informal Sector in India*. New Delhi: Khama Publishers, pp75-92.

Khandker, Shahidur R. 1992. *Earnings, Occupational Choice, and Mobility in Segmented Labor Markets of India*. World Bank Discussion Paper 154, Washington DC.

Kishwar, Madhu. 2001a. "Blackmail, Bribes and Beatings". *Manushi*, No 124, May-June: 4-9.

Kishwar, Madhu. 2001b. "License-Quota-Raid Raj: Economic Warfare against Rickshaw Owners and Pullers", *Manushi*, No. 125, July-August:3-10.

Knorringa, Peter. 1999. "Artisan Labour in the Agra Footwear Industry: Continued Informality and Changing Threats" in Jonathan Parry, Jan Breman and Karin Kapadia (eds) *The Worlds of Indian Industrial Labour.* New Delhi: Sage.

Lanjouw, Peter and Abusaleh Shariff. 2000. *Rural Non-farm Employment in India: Access, Incomes and Poverty Impact.* Draft mimeo.

Leidholm, Carl.1994. "The Impact of Government Policies on Microenterprise Development: Conclusions from Empirical Studies," in Cathy Rakowski, (ed.) *Contrapunto: The Informal Sector Debate in Latin America.* Albany: State University Press of New York, pp.75-89.

Levin, Carol E., Marie T. Ruel, Saul S. Morris, Daniel G. Maxwell, Margaret Armar-Klemesu and Clement Ahiadeke. 1999. "Working Women in an Urban Setting: Traders, Vendors and Food Security in Accra", *World Development*, Vol 27, No 11:1977-1991.

MacEwen, Scott, Alison. 1979. "Who are the Self-employed?" in Ray Bromley and Chris Gerry, eds., *Casual Work and Poverty in Third World Cities*, New York: Wiley, pp. 105-132.

MacEwen, Scott, Alison. 1991. "Informal Sector or Female Sector? Gender Bias in Urban Labour Market Models" in Diane Elson (ed) *Male Bias in the Development Process*. Manchester and New York: Manchester University Press. pp 105-132.

Maloney, William. F. 2003. *Informality Revisited*. Policy Research Working Paper No. 2965. Washington DC: The World Bank.

Mies, Maria. 1982. *Lace Makers of Narsapur: Indian Housewives in the World Market.* London: Zed Books.

Mitter, Vishva. 1988. *Growth of Urban Informal Sector in a Developing Economy*. New Delhi: Deep and Deep Publications.

Newman, Constance and Sudarshan Canagarajah. 2000. *Gender, Poverty and Nonfarm Employment in Ghana and Uganda*, Policy Research Working Paper 2367. Washington D.C.: World Bank.

Papola, T.S. 1981. *Urban Informal Sector in a Developing Economy*. New Delhi: Vikas Publishing House Pvt. Ltd.

Pollack, Molly. 1993. *Feminization of the Informal Sector in Latin America and the Caribbean*, Serie Mujer Y Desarrollo, Social Development Division, Women and Development Unit, Economic Commission for Latin America and the Caribbean, Santiago, Chile.

Portes, Alejandro and Leif Jensen. 1989. "The Enclave and the Entrants: Patterns of Ethnic Enterprise in Miami before and after Mariel", *American Sociological Review*, Vol. 54, No. 6. (Dec., 1989), pp. 929-949.

Portes, Alejandro and Leif Jensen. 1992. "Disproving the Enclave Hypothesis: Reply",

Portes, Alejandro and Richard Schauffler. 1993. "Competing Perspectives on the Latin American Informal Sector", *Population and Development Review*, Volume 19, Issue 1 (March):33-60.

Sainath, P. 1996. *Everybody Loves a Good Drought.* Penguin Books: New Delhi.

Sethuraman, S.V. 1998. *Gender, Informality and Poverty: A Global Review.* Washington D.C.: The World Bank.

SEWA. 2000. *Annual Report.* Ahmedabad, India: Self-Employed Women's Association.

Wilson, Kenneth L. and Alejandro Portes. 1980. "Immigrant Enclaves: An Analysis of the Labor Market Experiences of Cubans in Miami", *American Journal of Sociology*, Vol. 86, No. 2. (Sept., 1980), pp. 295-319.

World Bank. 1995. *World Development Report*, New York: Oxford University Press.

World Bank. 2000. *Can Anyone Hear Us? : Voices Of The Poor*, Washington DC.

Ypeij, Annelou. 2000. *Producing Against Poverty: Female and Male Micro-entrepreneurs in Lima, Peru. Amsterdam*: Amsterdam University Press.

ENDNOTES

[1] India has several programs to promote self-employment. It also has several policy initiatives to encourage small and "tiny" businesses and "cottage" industries. A lot has been written about how these polices discriminate against large enterprises but not enough on how they discriminate against the smallest ones – the household enterprise which hires no labor.

[2] The "organized sector" in India includes central, state and local government administrations, and private enterprises that are registered (i.e. firms with 10 workers if using power and 20 workers if without power). The vast "unorganized" or informal sector is outside the ambit of social security and other protective legislation.

[3] Scheduled Castes and Scheduled Tribes are India's poorest and most disadvantaged of social groups. The terms Scheduled Caste and Scheduled Tribe come from the Constitution Orders passed in 1950 for these groups - schedules to which contain the names of castes and tribes that are earmarked for special treatment such as reservations in legislatures, public sector employment and government run educational institutions. Scheduled Castes have a 15 percent and Scheduled Tribes a 7.5 percent reservation or quotas in all public educational institutions and government or quasi-government jobs (which form the major part of all regular salaried jobs).

[4] Rickshaw is a three wheeled hand-drawn cart which transports people and material.

[5] For detailed analysis of ethnic enclaves see Das (2002)

Melvina E. Clarke
C:\Das-Self-employment-primer paper.doc
September 11, 2003 1:28 PM